

One issue on the table is whether independent ISPs should be protected from telco dominance. This is far more than a business competition issue, but rather goes right to primary concerns about diverse points of view and innovative new uses of the net. Cable TV notoriously blocks most channels, providing a "walled garden" of limited choice. This must not be extended to the Internet, but DSL providers like SBC (one third of the country) have exactly that in their plans. Contracts SBC demands of ISPs force video speed traffic to bypass the ISP and go directly to SBC and pay an extraordinary toll. The third Internet is fast enough to watch; SBC must be prevented from blocking consumer choice. Mike Powell spoke eloquently to me two years ago, about how the availability of video on the net would allow choices far beyond broadcast TV, and how such innovation must be be choked off.

That's why we need independents. DV cameras, Avids and Mac editing, and other inexpensive video tools will soon make it possible for hundreds of churches to webcast their Sunday services. Every college with a football or basketball team can broadcast to their campus and the rest of the world. Texas could receive TV channels from Punjab, Israel, Poland, Italy, and the U.S. Navy. Comcast won't carry them, forbidding video in their terms of service. SBC plans the same, seeing this as a "value-add" and finding technical means of effectively blocking programming. Cisco proudly explains how their routers can select preferred channels.

DSL Prime urges the FCC to protect the end to end integrity and quality of the net. That will enable great applications - your Sunday church service, live college basketball game, a Shakespeare lecture from North Carolina, an interactive conference, the most imaginative computer game yet developed, and many more we haven't imagined. No carrier along the way should erect toll barriers on the net. Some threats are explicit (cable modems forbidding video downloads) but most are more subtle - SBC preempting ISP bandwidth because they hope to charge extra fees for a very limited selection of high priced programming.

Unreliable service makes most of what Powell wants impractical. How many physicians will spend their time on a telemedicine consult when the video keeps dropping out due to congestion? Taplin of Intertainer just issued a call to make sure networks are fast enough for video (750K minimum today, higher tomorrow. DVDs are passing VHS this year, and "near-VHS" won't meet people's expectations. Live events like football games still require several megs.).

Competitive rules are meaningless unless the prices are realistic. Telco unbundled DSL pricing of \$33 or so is completely unjustified, and was a major mistake when accepted by the FCC. The complete package cost less retail in Canada, although the ISP pays for customer acquisition, support, billing, and the backbone connection. In Britain, regulator OFTEL has just agreed that BT's wholesale price of \$21 is reasonable and profitable. The telcos have captured 80% + of the ISP business, by punitively pricing even to giants like AOL and Earthlink.

Quality and reliability is even more crucial, and generally ignored by policymakers. If we want innovative services, we need to make sure the networks are robust enough to carry them. Truth in advertising is the easiest way to enforce this. SBC (and others) should be obligated to deliver on their network the 1.5M they have advertised and promised on 2000. They cannot guarantee Internet speeds, of course, but they can establish network peering points to accept traffic and maintain appropriate quality within their own network, as they promised to do in 2000. SBC's own ISP doesn't maintain that service for

incoming traffic - the best argument I know for multiple independent ISPs. Otherwise, the telcos should run corrective ads and pay fines large enough to notice.

Equipment and fiber costs have come down so much reliable service costs little more, typically less than the marketing budget. Two large ISPs calculated that unlimited rate DSL service (7 meg if you're close enough, 512K upstream) would add less than \$2 to monthly consumer cost. Japan is making that standard, and DSL Prime believes speed limited DSL service is a great argument to shift to cable modems.